
DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 579 Engrossed

2023 Regular Session

DuBuisson

Abstract: Provides relative to pet insurance policies and the necessary regulations for such policies.

Proposed law defines chronic condition, congenital anomaly or disorder, hereditary disorder, orthopedic, pet insurance, preexisting condition, renewal, veterinarian, veterinary expenses, waiting period, and wellness program.

Proposed law requires a pet insurer, who is transacting pet insurance, to disclose all of the following to consumers:

- (1) Whether the policy excludes coverage due to certain health conditions provided in proposed law.
- (2) Whether the policy includes any exclusions other than those provided for in proposed law and if so, proposed law provides the required statement that shall be included in the policy.
- (3) Whether any policy provision limits coverage through a waiting or affiliation period, a deductible, coinsurance, or an annual or lifetime policy limit.
- (4) Whether the pet insurer reduces coverage or increases premiums based on the insured's claim history, the age of the covered pet, or a change in the geographic location of the insured.
- (5) Whether the underwriting company differs from the brand name used to market and sell the product.

Proposed law provides that unless the insured has filed a claim under the pet insurance policy, a pet insurance applicant shall have the right to examine and return the policy, certificate, or endorsement to the company, agent, or insurance producer of the company within 15 days of receipt. Proposed law further provides that, after examination of the policy, certificate, or endorsement, if the applicant is not satisfied for any reason, he has the right to have the premium refunded.

Proposed law requires pet insurance policies, certificates, and endorsements to have a notice prominently printed on its first page or attached thereto with specific instructions for a policyholder to return such policy. Proposed law provides the required statement or language substantially similar to the statement provided for in proposed law.

Proposed law requires a pet insurer to disclose a summary description or formula used to determine

claim payments under the pet insurance policy. Proposed law further requires that such disclosure be made prior to the policy issuance and through a link on the pet insurer's website main page or the pet insurer's program administrator's website main page.

Proposed law provides that when a medical examination by a licensed veterinarian is required to effectuate coverage, the pet insurer shall disclose the required aspects of the examination prior to purchase and disclose that examination documentation may result in a preexisting condition exclusion.

Proposed law requires the pet insurer to include in its pet insurance policies a summary of all disclosures required by proposed law. Proposed law further requires, upon issuance or delivery of a pet insurance policy to a policyholder, the pet insurer to provide the policyholder with a copy of disclosures required by proposed law.

Proposed law requires the pet insurer to include a written disclosure with the following information, printed in 12-point boldface type:

- (1) The department's mailing address, toll-free telephone number, and website address.
- (2) The address and customer service telephone number of the pet insurer or the agent or broker of record.
- (3) A statement advising the policyholder to contact the broker or agent for assistance if the policy was issued or delivered by an agent or broker.

Proposed law allows a pet insurer to issue policies that exclude coverage based on one or more preexisting conditions when appropriate disclosures are provided to the policyholder. Proposed law provides that the pet insurer has the burden of proving that a preexisting condition exclusion applies to the condition for which a claim is being made.

Proposed law prohibits a pet insurer from requiring a veterinary examination of a covered pet in order for a policyholder to have a policy renewed.

Proposed law prohibits eligibility for purchasing a pet insurance policy to be based on participation, or lack of participation, in a separate wellness program.

Proposed law prohibits pet insurers and producers from marketing a wellness program as pet insurance.

Proposed law provides a list of requirements if a pet insurer or producer sells a wellness program.

Proposed law provides that coverages included in a pet insurance policy contract described as "wellness" benefits are insurance.

Proposed law prohibits an insurance producer from selling, soliciting, or negotiating a pet insurance

product until the producer is licensed in a major line of authority and has completed the required training provided by proposed law. Proposed law requires insurers to ensure that its producers are trained and that they are trained on the coverages and conditions of its pet insurance products.

Proposed law provides that if the training requirements of another state are substantially similar to the provisions required in proposed law then those requirements are deemed to satisfy the training requirements in this state.

Effective Jan. 1, 2024.

(Amends the heading of Subpart G of Part IV of Chapter 4 of Title 22 of the Louisiana Revised Statutes of 1950; Adds R.S. 22:1371-1375)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Make technical changes.